

CREDIT CRITERIA for Equipment Finance



DIVERSIFIED
TRANSPORTATION FINANCE

Diversified Transportation Finance and Diversified Lenders, Inc.
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From time to time, we adjust our credit box to meet market conditions and the balance of our portfolio. The criteria listed below is meant to give you an idea of whether a transaction may or may not meet our criteria. For any further clarification, connect with one of our people.

The Diversified Difference

- We provide long-term solutions for our trucking companies; not just one transaction.
- Through working capital and equipment financing, we are able to offer flexibility in down payment, rate or term.
- We have provided solutions for small businesses since 1986.
- We respect the referral source process - we protect your reputation.

The Diversified Box

- Current factoring customer with a minimum of three months of history and no chargebacks.
- Must have a fleet of five (5) trucks or more.
- Must be a corporation, LLC, LLP or other entity established in the US (no sole proprietorships).
- Must have been in business at least two (2) years.
- Clients with bankruptcies (within the last seven years), repossessed vehicles or bad debts will not be considered.
- Must have a beacon score of 600 or higher (or other strengths to offset lower scores).
- If judgments are listed, more information/explanation will be required.
- No one will be considered if a judgment has been issued for non-payment of child support
- A complete signed credit application authorizing Diversified to pull the following on any and all applicants:
 - ◆ consumer credit report ◆ commercial credit reports ◆ background checks
- Must provide last two years of tax returns, YTD profit and loss statement and current balance sheet or three most recent months bank statements (business or personal) reflecting current earnings of the business or driver and 1099/W2 for the most recent year.
- Must provide list of trucks and trailers owned by applicant along with who they are financed by and if the new truck is a replacement or expansion unit.
- ACH of the monthly payment is required.
- Term loan exposure not to exceed 45% of borrower's total long term debt.
- Debt service coverage ratio to be greater than 1.20x based on most recent financials and a debt schedule.
- Minimum transaction size of \$50,000.
- Down payment of 25-30% or additional collateral pledge worth 2x cash down payment.
- Terms based on table below, will not finance vehicles with more than 1,000,000 miles.

Age of Equipment (in years)	Maximum Term (in months)
1-2	60-72
3	54
4-6	36
7-8	24
9-10	12

The Diversified Process

We will keep you informed during the process and respond within eight (8) business hours as to whether your transaction is viable or not. We need the following to get started: [1] an application (if you have one - we accept most applications of other finance companies), [2] background information on the company (number of units, time in business, freight hauled, etc.), [3] an AR aging report, [4] a collateral description and [5] an outline of your rate and term expectations.

We will request additional information as necessary. Once a proposal is accepted, we will work as quickly as possible to approve the transaction and provide documentation for funding. We keep the referral source informed along the way. We respect repeat clients and refer them to you for repeat transactions. Our extensive database allows us to track all leads and their referral sources. We will let you know immediately if the transaction has already been presented to us. We keep you and your clients' information confidential.